THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes. Sir.

(b) Issues raised in the newsitem are not new and are already within the knowledge of Government. On 2nd March, 2001, the Government received the preliminary Audit observations regarding disinvestment of Government equity in Modern Food Industries Limited (MFIL). These were replied in detail by the Department of Dsinvestment on 15th March, 2001. After considering our reply, CAG has sent us the Inspection Report on 6th July, 2001. The reply to this report will be sent to the CAG soon.

(c) Based upon the disinvestment experience of MFIL and BALCO, the Disinvestment Department has standardized the Valuation Methodologies for disinvestment in CPSUs as per a note circulated to all concerned Departments on 14th May, 2001. Further refinements in the valuation methodologies are also being attempted in consultation with the CAG/CVC.

(d) Does not arise in view of answer at (c) above.

(e) and (f) After the Inspection Report of CAG has been replied to, CAG will prepare its final report which shall be laid before the Parliament in accordance with the prescribed procedure.

Effective mechanism in disinvestment procedure

2280. SHRI R. S. GAVAI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government propose to evolve effective mechanism in disinvestment procedure to prevent a BALCO like situation in favour of bidders;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) to (c) The loss caused due to the strike by workers in BALCO, after its disinvestment, has adversely affected bidders' interest in disinvestment. This fact is kept in mind while finalising the Share Holders' and Share Purchase Agreements in consultation with prospective bidders. Wherever necessary, appropriate provisions will be made in the Agreement documents to assure the prospective bidders and to make the process of transfer smoother.